

**STATE OF MARYLAND  
DEPARTMENT OF HEALTH AND MENTAL HYGIENE  
WIC PROGRAM  
VENDOR AGREEMENT**

This Agreement, dated \_\_\_\_\_, is made by and between \_\_\_\_\_, hereinafter called "Vendor," and the **Special Supplemental Nutrition Program for Women, Infants and Children**, a unit of the Maryland Department of Health and Mental Hygiene, Family Health Administration (FHA), hereinafter called "Program" or "WIC," and shall commence on \_\_\_\_\_ and shall terminate on \_\_\_\_\_  
(to be filled in by the Program) (to be filled in by the Program)

This Agreement, which concerns the store's or entity's authorization to operate as a WIC Vendor, shall continue in effect until the above-stated termination date or unless it is terminated as provided in this Agreement. The Program reserves the unilateral right to order in writing changes in the work within the scope of the Agreement and the unilateral right to order in writing a temporary stop or delay in performance.

Now, therefore, in consideration of the mutual promises and covenants herein contained, the parties agree as follows:

**A. The Parties agree to these General Provisions:**

1. This Agreement is not transferable. Any change in ownership or rights of ownership, cessation of operation, or relocation of a store terminates this Agreement and the vendor's authorization to operate as a WIC vendor is ended. This Agreement does not constitute a property interest. If the vendor wishes to continue to be authorized beyond the period of its current Agreement, the vendor must reapply for authorization. If a vendor is disqualified from being a WIC vendor, the Program will terminate this Agreement, and the Vendor will have to reapply in order to be authorized after the disqualification period has ended. In all cases, the Vendor's new application will be subject to the Program's vendor selection criteria and any vendor limiting criteria in effect at the time of the reapplication. Termination of this Agreement due to change in ownership or relocation of a store may not be appealed.
2. The Program will immediately terminate this agreement if it determines that the Vendor has provided false information in connection with its application for authorization. Either the Program or the Vendor may terminate this Agreement for cause after providing written notice to the other party at least 15 days in advance of the termination date.
3. The Program, as well as officers, agents, and employees of the Program, are not responsible for losses incurred by the Vendor as a result of investigation into an alleged violation, suspension of authorization, and/or denial of application for authorization.

4. Payment obligation by the Program is contingent upon the availability of Federal or State funds allocated for payment of such an obligation. If funds are not available for continuance of service, this Agreement shall become void, and services shall be terminated by the Program. Payment will be made on all valid instruments in circulation with an issue date prior to the voiding of this Agreement. The Program shall notify the Vendor at the earliest possible time of any service that will or may be affected by lack of availability of Federal or State funds.
5. The Program, including its representatives at local jurisdiction WIC offices, may conduct monitoring of WIC vendors to determine the vendor's compliance with applicable federal and state policies and regulations, the WIC Vendor Manual, and the WIC State Plan of Operations. The monitoring may include random monitoring, educational buys, and covert compliance buys without the knowledge of the vendor.
6. Should the Vendor lose the Vendor's business due to a fire or natural disaster and the business is able to reopen within thirty (30) days, the Vendor shall retain the Vendor's WIC authorization. However, if more than thirty (30) days are needed to reopen, the Program shall terminate this Agreement, and the store must reapply for authorization and be approved as a WIC vendor in order to obtain authorization to operate as a WIC Vendor.
7. The Vendor Sanction Policy, as detailed in the Vendor Manual and the Program's State Plan of Operations, shall be a part of this Agreement. The current version of the Vendor Sanction Policy, Vendor Manual, Application Packet, and the State Plan of Operations is incorporated by reference into this Agreement. The WIC Program will update these documents as required, and the Vendor is subject to the requirements of the most recent update. In addition, the Vendor is subject to the terms of the Sanction Policy in effect at the time the Vendor violates a provision of the Agreement.
8. Except as provided elsewhere in this agreement, a store has the right to appeal a Program decision pertaining to a denial of application for authorization or a suspension of authorization within 10 days of the date of the Vendor's receipt of the notice of denial or notice of suspension.
9. The Program may suspend the Vendor's authorization to operate as a WIC Vendor for reasons of program abuse, failing to adhere to WIC policies and procedures, failing to adhere to applicable State and Federal statutes and regulations, the WIC Vendor Manual, the State Plan of Operations, and/or failing to adhere to the provisions of this Agreement.
10. A disqualification from the Food Stamp Program (FSP) or disqualification from any other Food and Nutrition Service (FNS) Program will result in an automatic suspension from the WIC Program for the same, but not necessarily concurrent, amount of time. Vendor disqualifications resulting from FSP disqualification are not subject to administrative or judicial review.

11. The Program may disqualify a Vendor that has been issued a civil money penalty under the FSP pursuant to 7 CFR § 246.12 of the WIC Program Regulations. The Program may also impose a civil monetary penalty in accordance with the formula outlined in 7 CFR § 246.12.
12. Notice of a store's suspension of authorization from the WIC Program will be forwarded to the United States Department of Agriculture (USDA) and may be grounds for disqualification of the Vendor from other FNS Programs, including the FSP. Such disqualification may not be subject to Administrative or Judicial Review under the Food Stamp Program.
13. The relocation of a WIC store terminates this Agreement, and the vendor must reapply for a new period of authorization and be authorized as a WIC Vendor by the WIC Program before it may operate as a WIC Vendor at the new location.
14. A Vendor who commits fraud or abuse of the Program is liable for prosecution under applicable Federal, State, or local laws, and may be, if convicted, subject to a fine of not more than \$25,000 or imprisonment for not more than 5 years or both in accordance with 7 CFR § 246.12(h)(3)(xx) and 7 CFR § 246.23(d).
15. The provisions of this Agreement are governed by Maryland law.
16. The Program may terminate this Agreement for cause or for convenience if it determines that such a termination would be in its best interest. The Program will pay all reasonable costs associated with this Agreement that the Vendor has incurred to the date of the termination. These costs are limited to properly redeemed food instruments. However, the Vendor shall not be reimbursed for any anticipatory profits that have not been earned up to the date of the termination.
17. The Program may amend this Agreement upon 15 days notice to the Vendor in order to comply with any new Federal or State laws or regulations or policies issued by the USDA. In all other instances, the Agreement may only be modified as the Program and the Vendor mutually agree in writing.
18. The Program will terminate the Agreement if the Program identifies a Conflict of Interest. It is unlawful for any State officer, employee, or agent to participate personally in his official capacity through decision, approval or disapproval, recommendation, advice, or investigation in any contract or other matter in which he, his spouse, parent, minor child, brother, or sister has a financial interest or to which any firm, corporation, association, or other organization in which he has a financial interest or in which he is serving as an officer, director, trustee, partner, or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, is a party, unless such officer, employee or agent

has previously complied with the provisions of State Government Section 15-501 et seq. of the Annotated Code of Maryland.

19. The Program may reassess the Vendor at any time during the Agreement period using the current selection criteria. The Program will terminate the Agreement if the Vendor fails to meet the current Vendor selection criteria.
20. The Program has sole discretion to designate the date, time, and location of all interactive Vendor training.

**B. The Vendor agrees to:**

1. Adhere to all applicable existing laws and regulations of the Program and any subsequently enacted as a result of State or Federal legislation.
2. Adhere to all policies and operating procedures of the Program, including those found in the WIC Application Packet, the WIC Vendor Manual, and the WIC State Plan of Operations, and including updates of these policies and procedures.
3. Process all food instruments in accordance with Program regulations, policies, and procedures, or otherwise be subject to Program sanctions and nonpayment of improperly redeemed food instruments.
4. Submit food instruments for payment within the allowed time period as set forth in the Vendor Manual and request payment from the Program for problem or bank-rejected food instruments, certifying thereto that the represented service has been performed, that payment for the service has not been received, and that the amount specified is due and owing.
5. Include in a request for payment:
  - a. The Program assigned WIC Vendor Identification Number, which is \_\_\_\_\_;
  - b. The Vendor's Federal Tax Identification, which is \_\_\_\_\_;
  - c. The Vendor's address, which is \_\_\_\_\_  
\_\_\_\_\_

6. Address all requests for payment to: Gene Nadolny

FISCAL ADMINISTRATOR

(TITLE)

201 W PRESTON STREET, 1ST FLOOR

BALTIMORE, MARYLAND 21201

7. Accept food instruments from a participant (here and thereafter defined as including any parent, caretaker of an infant or child participant, and proxy) only within the allowed time period as set forth on the food instrument.
8. Provide to the participant only the supplemental foods specified on the food instrument submitted by the participant.
9. Hold the Program forever harmless for any WIC transaction completed prior to the Vendor's being authorized to operate as a WIC Vendor.
10. Provide supplemental foods at the current prices or at less than the current prices charged to other customers.
11. Not seek restitution from any participant in connection with the negotiation of a WIC food instrument or for food instruments not paid for by the Program.
12. Provide the Program with the name of the bank and the account number in which WIC food instruments are to be deposited and inform the Program immediately in writing of any change in either item.
13. Return to the Program within 15 days of termination of this Agreement all WIC Vendor Identification Stamps issued to the Vendor by the Program.
14. Obtain, at its expense, all licenses, permits, insurance, and government approvals, if any, necessary to the Vendor's performance under the Agreement.
15. Accept responsibility for WIC food inventory of the Vendor at the termination of the Agreement or upon the suspension of the Vendor from the Program.
16. Inform cashiers and other staff about Program requirements and train cashiers and other staff on Program requirements.

17. Be accountable and responsible for vendor violations committed by owners, officers, managers, agents, and employees of the vendor.
18. Offer Program participants the same courtesies offered other customers, including giving trading stamps to WIC participants for purchases made with WIC food instruments if trading stamps are given for cash purchases, allowing the use of store bonus or savings cards which provide price savings, and offering WIC customers in store promotions such as “buy 1, get one free.”
19. Provide access, on the day of a monitoring visit, to any food instruments negotiated on the day of any monitoring reviews, at the request of the monitor.
20. Provide to WIC representatives access to all program-related records in accordance with 7 CFR § 246.12(h)(3)(xv) of the WIC Regulations.
21. Comply with the nondiscrimination provisions of 7 CFR Parts 15, 15a, and 15b and:
  - a. Not discriminate in any manner against an employee or applicant for employment because of race, color, sex, creed, national origin, age, marital status, religion, ancestry, or disability of a qualified individual with a disability;
  - b. Include a provision similar to that contained in subsection a above in any subcontract except a subcontract for standard commercial supplies or raw materials; and
  - c. Post and cause subcontractors to post in conspicuous places, available to employees and applicants for employment, notices setting forth the substance of this nondiscrimination provision.
22. Not collect sales tax on WIC food purchases.
23. Pay all excess charges assessed by the Program in accordance with applicable regulations.
24. Notify the Program as soon as the Vendor has knowledge that it will cease operation or that there will be a change in ownership, and notify the Program immediately when a store cannot operate due to fire or other natural disaster.
25. Maintain inventory records used for Federal tax reporting purposes and all other WIC records for a period of four (4) years.

27. Participate in Annual Vendor Training sessions offered by the Program and any other Vendor training deemed appropriate by the Program.
28. Not charge the Program for foods not received by a WIC Participant.

**C. The Program Agrees To:**

1. Advise participants of the location or locations of the store or stores that the Vendor has been authorized to operate under this Agreement.
2. Provide for the payment of the actual purchase price of WIC foods listed on properly redeemed valid Maryland WIC food instruments.
3. Provide the Vendor with annual training and materials to support the Vendor's efficient operation as a WIC Vendor in the Program, and provide the Vendor with at least one alternative date on which to attend such training.
4. Notify the Vendor of any changes in Program regulations and operating procedures.
5. Undertake appropriate monitoring, auditing, and review of the Vendor as required by Federal and State Program rules, regulations, policies, and procedures.
6. Provide prompt and courteous assistance to the Vendor when problems or questions arise concerning the Vendor's operation as a WIC Vendor.
7. Maintain records associated with this Agreement.
8. Impose sanctions in accordance with the provisions of this Agreement, the WIC Vendor Manual and State Plan of Operations, and Federal and State regulations and laws.
9. Disqualify or suspend the Vendor for reasons of Program abuse or violation of this Agreement, the WIC Vendor Manual, the State Plan of Operations, or federal or state WIC laws or regulations, or disqualification from the Food Stamp Program or from any other FNS Program.
10. Bill for excess charges as set forth in COMAR 10.54.03.12.
11. After providing an opportunity to correct or justify such payments, deny payment to the Vendor for improperly processed food instruments and demand refunds for payments already made on improperly processed food instruments.

**D. The Program's Agreement Monitor is the primary point of contact for the**

**Program for matters relating to this Agreement. The Vendor shall contact this person immediately if the Vendor is unable to fulfill any of the requirements of the Agreement or has any questions regarding the interpretation of the provisions of the Agreement.**

The Agreement MONITOR for the Program is:

\_\_\_\_\_  
JAMES A. BUTLER

Name (Typed)

\_\_\_\_\_  
CHIEF, VENDOR OPERATIONS & COMPLIANCE UNIT

Title (Typed)

\_\_\_\_\_  
DHMH OFFICE OF THE MARYLAND WIC PROGRAM

\_\_\_\_\_  
201 W. PRESTON STREET, 1<sup>ST</sup> FLOOR, BALTIMORE, MARYLAND 21201

\_\_\_\_\_  
(410) 767-5258

Business Telephone Number

- E. The Vendor's Agreement Monitor is the primary point of contact by the Program for matters relating to the Vendor's performance under the Agreement.**

The Agreement MONITOR for the Vendor is:

\_\_\_\_\_  
Name (Print or Type)

\_\_\_\_\_  
Title (Print or Type)

\_\_\_\_\_  
Business Address (Print or Type)

\_\_\_\_\_  
Business Telephone Number (Print or Type)

- F. The Vendor represents and warrants that:**

1. It is qualified to do business in the State of Maryland and that it will take all necessary action to remain so qualified; and



2. It is not in arrears with respect to the payment of monies owed to the State of Maryland, or any unit thereof, and that it will not become in arrears during the term of the Agreement.

**G. The Agreement is between Maryland's Special Supplemental Nutrition Program for Women, Infants and Children (WIC)**

and \_\_\_\_\_  
**Name of Vendor**

and covers the following store(s) (if seeking the authorization of multiple stores under the same ownership):

**(Only list stores covered by this agreement. Attach an extra sheet if more space is needed.)**

STORE NAME & #	STORE ADDRESS	MARYLAND WIC ID#
----------------	---------------	------------------

H. Both parties agree that the documents listed are hereby incorporated into this Agreement and made an integral part thereof:

Title

WIC Vendor Application Packet

WIC Vendor Manual

WIC State Plan of Operations

In Witness Whereof, the parties hereto have set their hands and seals:

(Signatory for the Vendor)

(Signatory for the Department)

By: \_\_\_\_\_  
(Vendor's Signature)

By: \_\_\_\_\_  
Secretary of Health and Mental Hygiene

Or

\_\_\_\_\_  
Name (Typed or Printed)

By: \_\_\_\_\_  
(Designee of the Secretary of Health and Mental Hygiene)

\_\_\_\_\_  
Title (Typed or Printed)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date of Signing by Secretary or Designee

Approved as to Form and Legal Sufficiency

This 8<sup>th</sup> Day of February 2007

By: Helen E. Bowlus

Helen E. Bowlus  
Assistant Attorney General